

**MINUTES
SPECIAL MEETING
ARIZONA STATE RETIREMENT SYSTEM BOARD**

**Friday, February 17, 2006
11:30 a.m., MST**

The Arizona State Retirement System (ASRS) Board met in the 14th Floor Board Room, 3300 N. Central Avenue, Phoenix, Arizona. Dr. Keith Meredith, Chair of the ASRS Board, called the meeting to order at 12:31 p.m., MST.

The meeting was NOT teleconferenced to the ASRS office at 7660 E. Broadway, Tucson, Arizona 85710.

1. Call to Order; Roll Call; Opening Remarks

Present: Dr. Keith Meredith, Chair
Mr. David Byers
Mr. Christopher Harris
Mr. Jaime Gutierrez
Mr. Michael Townsend
Mr. Lawrence Trachtenberg

Absent: Mr. Karl Polen, Vice Chair
Ms. Anne Mariucci
Mr. Steven Zeman

A quorum was present for the purpose of conducting business.

Dr. Keith Meredith opened the meeting by reviewing the Board's evaluation of themselves. The following topics were used as a discussion guide for the evaluation.

1. The Board maintains an effective oversight role with regard to benefits and investments issues.
2. The Board knows and understands the ASRS' mission and strategic plan, and reflects this understanding when addressing key issues throughout the year.
3. The Board engages in long-range strategic thinking and planning.
4. The Board has achieved the business objectives it set out to accomplish this past year.
5. The Board stays abreast of issues and trends affecting the ASRS, using this information to assess and guide the ASRS over the long term.
6. The Board conducts a comprehensive evaluation of the Director annually.
7. The Board ensures that new Trustees receive a prompt, thorough orientation.
8. Board meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.

9. The Board meeting agendas are well-balanced, allowing time for the most critical issues.
10. The Board and Committee meetings are handled efficiently.
11. The Committees are effective, focusing on pertinent topics and allocating reasonable time.
12. The Board is well-educated on both benefit and investment issues.
13. The Board recognizes its policy-making role and reconsiders and revises policies as necessary.
14. The Board is consistently prepared for meetings.
15. The Board as a whole, and Trustees as individuals, evaluate their performance on an annual basis.
16. The Board reviews and adopts a reasonable operating budget that is followed and monitored throughout the year.
17. The Board periodically monitors investment performance and measures it against relevant benchmarks.
18. The Board periodically monitors service to members.
19. The Board comprehends and respects the difference between its policy-making role and the Director's management role.
20. Board goals, expectations, and concerns are promptly, candidly and effectively communicated to the Director.
21. The Board anticipates issues and does not often find itself reacting to "crisis" situations.

The Trustees were also asked to identify the greatest achievements of the ASRS during the past year. The work that has been done to mitigate the contribution rate was mentioned as one of the achievements of the staff and Board. The investment rate of return of above 8% was also mentioned.

The Trustees also discussed the critical issues needing to be addressed by the Board in the future. Continued improvement of the funded status of the Plan and continued management of the contribution rate increases were mentioned. Developing an effective communication plan with members was also one of the items discussed.

Mr. Larry Trachtenberg left the meeting at 2:05 p.m.

Call to the Public

No public were present.

Adjournment of the ASRS Board

Dr. Meredith adjourned the February 17, 2006, Special Meeting of the Board at 2:30 p.m.

ARIZONA STATE RETIREMENT SYSTEM

Gayle Norman, Secretary

Date

Paul Matson, Director

Date